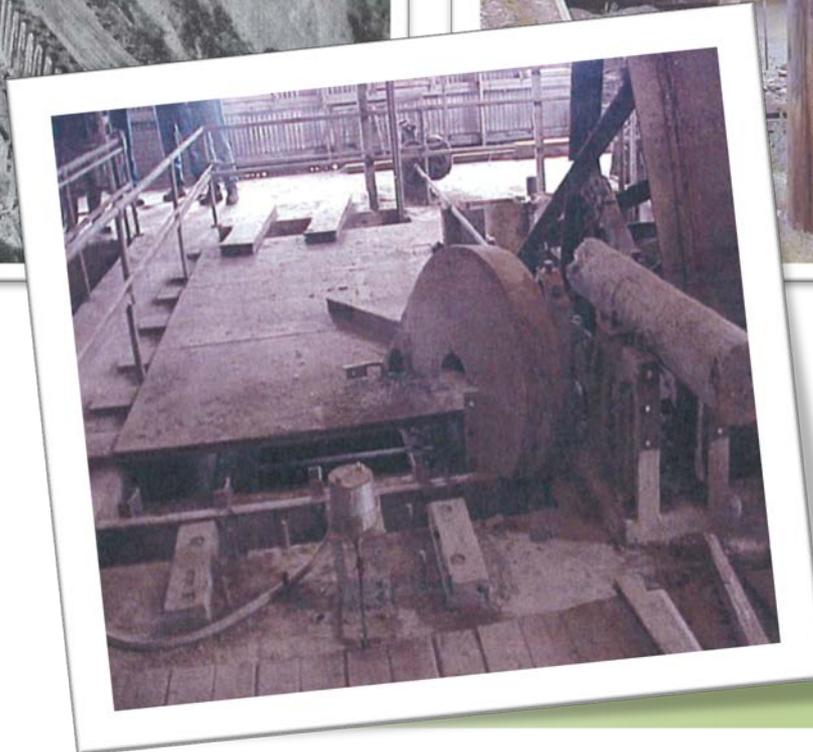
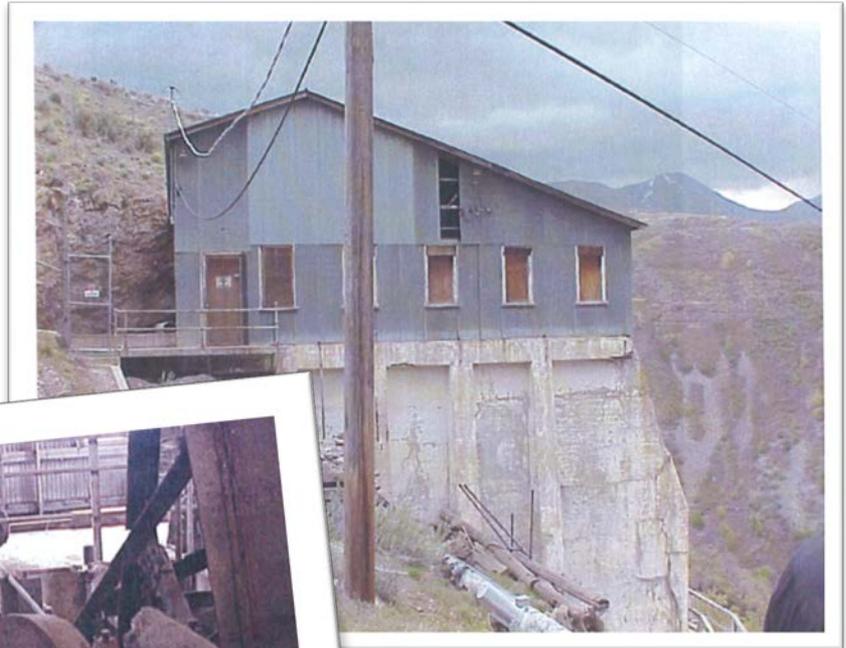
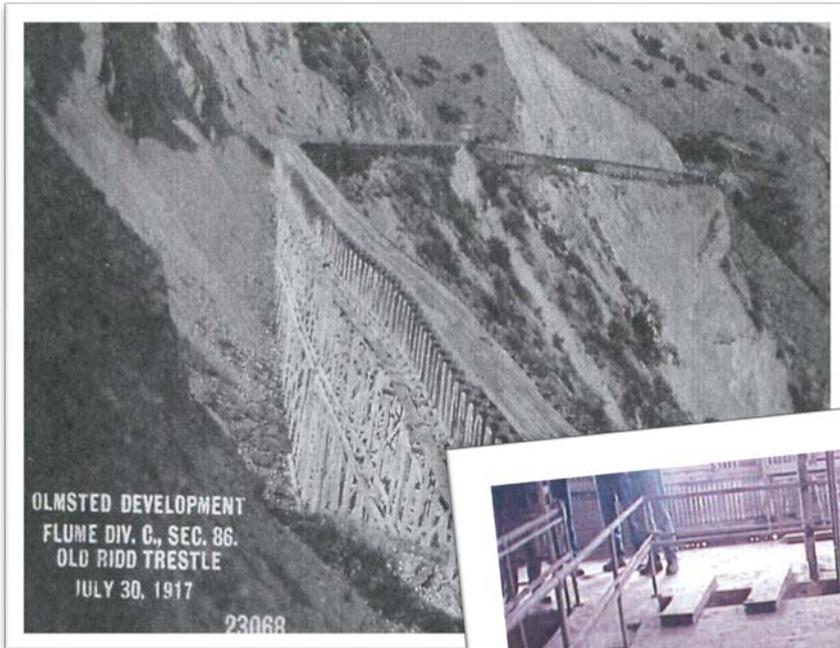


# Olmsted Hydroelectric Power Plant Replacement Project

November 17, 2017  
Angie England



# Tell me more about Olmsted



# Power Plant History

- Built in 1904 by Nunn Brothers
- Named for designer Fay Devaux Olmsted
- Electrical Engineering School – Telluride Institute
- Purchased by Utah Power & Light in 1912
- Acquired by United States in 1987
- Leased to PacifiCorp until Sept. 2015
- Old power plant will be preserved and maintained as a museum

# Olmsted – Moving Forward

- Olmsted is a “Take all – Pay all” project; the annual installment does not depend upon the energy made available for sale or the amount of generation each year
- Similar to other small CRSP MC Federal Projects, Provo River and Falcon-Amistad
- Customers with an allocation will receive its proportional share of total energy production and pay its share of the amortized portion of investment, with interest, as well as the OM&R costs

# Proposed Formula

**Annual Revenue Requirement = Projected OM&R  
Costs + Projected Interest + Projected Principal  
Payments ± True-Up Adjustment**

# Investment/OM&R

**Table 1 - Actual & Projected Investment and OM&R Costs Requiring Repayment**

FY	2016	2017	2018	2019	2020	2021	2022
Reimbursable CIP	\$5,800,000						
CUWCD Olmsted O&M			\$10,000	\$140,000	\$837,670	\$837,670	\$837,670
USBR O&M			\$10,000	\$27,500	\$10,000	\$10,000	\$27,500
WAPA O&M			\$9,500	\$10,000	\$10,000	\$10,000	\$11,000
Wheeling Charge			\$50,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>FY Totals</b>	<b>\$5,800,000</b>		<b>\$79,500</b>	<b>\$377,500</b>	<b>\$1,057,670</b>	<b>\$1,057,670</b>	<b>\$1,076,170</b>

# True-Up

**True-Up Adjustment = Revenues – OM&R Costs – Interest – Principal Repayment**

**Olmsted FY 2020 Installment  
Adjustment for FY 2018 Financial Data**

	FY 2018
<b>Revenue: 1/</b>	
Power (should match installment)	\$90,000.00
Adjustment	\$0.00
Other	\$0.00
<b>Total</b>	<b>\$90,000.00</b>
<b>Expense: 2/</b>	
O&M	\$83,000.00
Interest	\$2,000.00
<b>Total</b>	<b>\$85,000.00</b>
<b>Net Available for Repayment</b>	<b>\$5,000.00</b>
<b>Repayment:</b>	<b>\$1,500.00</b>
<b>Net Revenue/(Deficit) 3/</b>	<b>\$3,500.00</b>
<b>Total adjustment: \$</b>	<b>3,500.00</b>

1/ Booked revenues for FY 2018

2/ Booked expenses for FY 2018

3/ Net Revenue = Revenue - Expense - Repayment



# Installment Calculations

## Comparison of Olmsted Rate Installment

Components	Installment Calculation		Current Installment Calculation	
	FY 2018		FY 2019	
<b>WAPA</b>				
GWA	\$	1,500	\$	3,500
Marketing	\$	30,000	\$	90,000
<b>Total</b>	\$	<b>31,500</b>	\$	<b>93,500</b>
<b>CUPCA/Reclamation</b>				
Salaries	\$	15,000	\$	30,000
Benefits	\$	2,000	\$	6,000
RIC - OIC	\$	4,000	\$	12,000
Contracts	\$	14,500	\$	45,000
Other	\$	2,000	\$	6,000
Travel	\$	1,000	\$	3,000
EO&M	\$	20,000	\$	60,000
<b>Total</b>	\$	<b>58,500</b>	\$	<b>162,000</b>
<b>Total O&amp;M</b>	\$	<b>90,000</b>	\$	<b>252,000</b>
Principal Payment	\$	-	\$	5,000
Interest	\$	-	\$	2,500
Adjustment for 2016 Actuals	\$	-	\$	-
<b>Revenue Requirement</b>	\$	<b>90,000</b>	\$	<b>259,500</b>
<b>Allocated Installment</b>				
		<u>Annual</u>	<u>Per Month</u>	<u>Annual</u>
Customer A @ 60%	\$	54,000	\$ 18,000	\$ 155,700
Customer B @ 20%	\$	18,000	\$ 6,000	\$ 51,900
Customer C @ 10%	\$	9,000	\$ 3,000	\$ 25,950
Customer D @ 7%	\$	6,300	\$ 2,100	\$ 18,165
Customer E @ 3%	\$	2,700	\$ 900	\$ 7,785
	\$	<b>90,000</b>	\$ <b>30,000</b>	\$ <b>259,500</b>
				\$ <b>21,625</b>



**Department of Energy**  
Western Area Power Administration  
150 East Social Hall Avenue, Suite 300  
Salt Lake City, UT 84111-1580

Dear Customer A:

Under Section X of Contract No. xx-SLC-xxxx between Western Area Power Administration (WAPA) and Customer A, WAPA is to inform Customer A of the monthly payment for Olmsted energy for the upcoming fiscal year (FY).

WAPA has completed a power repayment study that projects Olmsted expenses and repayment for FY 2019 (October 1, 2018, through September 30, 2019). Estimates are based on the FY 2019 Congressional Budget submission for WAPA and the Bureau of Reclamation. Please see the enclosures for further explanation of the costs associated with Olmsted for this evaluation period.

The study shows that \$259,500 will be needed for Olmsted service during FY 2019:

Operation & Maintenance Expense	\$ 252,000
Principal Payment on Replacements	\$ 5,000
Interest on Replacements for FY 2019	\$ 2,500
Adjustment for FY 2018	\$ -
<b>Total Project Revenue Requirement</b>	<b>\$ 259,500</b>

	<u>Annually</u>	<u>Monthly</u>
Customer A's Share @ 60% of Total Project Revenue Requirement	\$ 155,700	\$ 12,975

Starting with the October 2018 billing, the invoice from WAPA to Customer A will reflect the monthly charge of \$12,975 for project revenue requirements. Customer A will receive 60 percent of the energy produced by Olmsted for FY 2019.

If there are any questions, please telephone Thomas Hackett at (801) 524-5503.

Sincerely,

Brent C. Osiek  
Vice President of Power Marketing  
CRSP Management Center



## FINAL STATUS OF REPAYMENT

### OLMSTED RIVER PROJECT

(Dollars in thousands)

	Cumulative 2019	Adjustment	Annual 2020 <sup>2</sup>	Cumulative 2020
<b>Revenue:</b>				
Gross Operating Revenue	90.000	0.000	360.000	450.000
Income transfers (net)	0.000	0.000	0.000	0.000
<b>Total Operating Revenue (A)</b>	<b>90.000</b>	<b>0.000</b>	<b>360.000</b>	<b>450.000</b>
<b>Expenses:</b>				
O & M and other	83.000	0.000	355.000	438.000
Purchase power and other	0.000	0.000	0.000	0.000
Interest				
Federally financed	2.000	0.000	4.000	6.000
Non-Federally financed	0.000	0.000	0.000	0.000
<b>Total Interest</b>	<b>2.000</b>	<b>0.000</b>	<b>4.000</b>	<b>6.000</b>
<b>Total Expense (B)</b>	<b>85.000</b>	<b>0.000</b>	<b>359.000</b>	<b>444.000</b>
<b>(Deficit)/Surplus revenue (C)</b>	<b>5.000</b>	<b>0.000</b>	<b>(2.000)</b>	<b>3.000</b>
<b>Investment:</b>				
Federally financed power	0.000	0.000	5.000	5.000
Non-Federally financed power	0.000	0.000	0.000	0.000
Nonpower	0.000	0.000	0.000	0.000
<b>Total Investment (D)</b>	<b>0.000</b>	<b>0.000</b>	<b>5.000</b>	<b>5.000</b>
<b>Investment repaid:</b>				
Federally financed power	0.000	0.000	3.000	3.000
Non-Federally financed power	0.000	0.000	0.000	0.000
Nonpower	0.000	0.000	0.000	0.000
<b>Total Investment repaid (E)</b>	<b>0.000</b>	<b>0.000</b>	<b>3.000</b>	<b>3.000</b>
<b>Investment unpaid:</b>				
Federally financed power	0.000	0.000	2.000	2.000
Non-Federally financed power	0.000	0.000	0.000	0.000
Nonpower	0.000	0.000	0.000	0.000
<b>Total Investment unpaid (F)</b>	<b>0.000</b>	<b>0.000</b>	<b>2.000</b>	<b>2.000</b>
<b>Fund Balances:</b>				
Colorado River Development (G)	0.000	0.000	0.000	0.000
Working capital (H)	0.000	0.000	0.000	0.000



# CRSP MC's Anticipated Schedule

<b><u>Procedure</u></b>	<b><u>Schedule</u></b>
<b>Federal Register Notice of Proposed Rate (begins 90-day comment period)</b>	October 12, 2017
<b>Public Information Forum</b>	November 17, 2017
<b>Public Comment Forum</b>	November 17, 2017
<b>Application Due Date</b>	December 11, 2017
<b>End of Comment Period</b>	January 10, 2018
<b>Rate Effective</b>	April 1, 2018



# Availability of Information

- All information pertaining to the Olmsted Hydroelectric Power Plant Replacement Project is available on our Web page:

<https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx>

- This site will be updated as new information becomes available

# Contact Information

Steve Johnson  
Acting CRSP Manager  
(970) 252-3000  
[johnsons@wapa.gov](mailto:johnsons@wapa.gov)

Thomas Hackett  
Rates Manager  
(801) 524-5503  
[hackett@wapa.gov](mailto:hackett@wapa.gov)

Brent Osiek  
Power Marketing Manager  
(801) 524-5495  
[osiek@wapa.gov](mailto:osiek@wapa.gov)

Angie England  
Rates Specialist  
(801) 524-6381  
[England@wapa.gov](mailto:England@wapa.gov)

Tony Henriquez  
Rates Specialist  
(801) 524-6388  
[thenriquez@wapa.gov](mailto:thenriquez@wapa.gov)

